

Service Date: March 8, 1983

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER of the application of)
the Combined Hungry Horse Water Com-) DOCKET NO. 82.12.76
pany to Increase Rates and Charges) INTERIM RATE ORDER
to Consumers in its Hungry Horse,) NO. 4965
Montana Service Area.)

FINDINGS OF FACT

1. On December 8, 1982, the Combined Hungry Horse Water Company (Applicant or Company) filed an application with this Commission for authorization to increase water rates to its Hungry Horse, Montana customers on a permanent basis by approximately 30% which constitutes an annual revenue increase of approximately \$8,700.
2. Concurrent with its filing for a permanent increase in rates, the Company filed an application for an interim increase in rates of approximately 30% equaling a revenue increase of approximately \$8,700 or 100% of the proposed permanent increase.
3. The Commission's interim rules and guidelines call for "a clear showing that the petitioning utility is suffering an obvious income deficiency" before it will grant interim rate relief. The Commission finds that reference to the adjustments approved in the Company's most recent general rate order, for its water operations, provide the most appropriate means to measure financial performance. Applying these parameters to the current test year booked income provides a financial picture consistent with the

most recent Commission order and avoids prejudging issues in the current case.

4. Examination of the Company's financial statements indicates that the Company has sustained operating losses of \$4,333 and \$10,618 for fiscal years 1981 and 1982 respectively.
5. The Commission finds that the operating losses sustained by the Company represent an obvious income deficiency in this instance, that deferred rate relief until a final order can be issued may adversely affect the utility's financial condition and further, that under its current rate making standards, the utility may be entitled to rate relief at the time a final order is issued.
6. The Commission finds that the Applicant's financial position has eroded and accordingly, finds the Company entitled to interim rate relief of \$8,700 on an annual basis.
7. The Applicant, for interim rate purposes, proposes to implement the following rates:

FLAT RATE:	\$18.00 per month
METERED RATE:	Minimum rate \$10.00 per month for the first 2,000 gallons and \$1.50 per thousand gallons consumed in excess of 2,000.

The exhibits submitted by the Applicant indicate that the above rate structure will generate approximately \$8,700 in additional annual revenues and the Commission, for interim

rate purposes, finds the proposed rate structure acceptable.

CONCLUSIONS OF LAW

1. Combined Hungry Horse Water Company is a public utility furnishing water service to customers in the Hungry Horse area. As such, it is subject to the supervision, regulation and control of this Commission, pursuant to Section 69-3-102, MCA.

2. Section 69-3-304, MCA, provides in part, "The Commission may in its discretion, temporarily approve increases pending a hearing or final decision."

3. The Commission concludes that the granting of an interim rate increase in the manner set forth herein is just, reasonable and within the discretion granted by Section 69-3-304, MCA.

ORDER

THEREFORE, THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. The Combined Hungry Horse Water Company is hereby granted authority to implement, on an interim basis, increased rates for its Hungry Horse, Montana customers, designed to generate additional annual revenues in the amount of \$8,700.
2. Combined Hungry Horse Water Company is to file revised tariff schedules reflecting the rates as contained in Finding of Fact paragraph 7.

3. The interim relief granted in this Order is to be effective for services rendered on and after March 7, 1983.
4. The increase granted herein is subject to rebate should the final order in this Docket determine a lesser increase is warranted. Such rebate would include interest at 12.0% per annum.

DONE IN OPEN SESSION this 7th day of March, 1983, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

Thomas J. Schneider, Chairman

John B. Driscoll, Commissioner

Howard L. Ellis, Commissioner

Clyde Jarvis, Commissioner

Danny Oberg, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.